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MINUTES OF MEETING

STATE OF WISCONSIN WISCONSIN RETIREMENT BOARD

Thursday, March 13, 2003

**Sheraton Madison Hotel
706 John Nolen Drive
Madison, Wisconsin**

BOARD PRESENT:

Marilyn Wigdahl, Chair
John Brown, Vice Chair
Ted Bauer
Rick Gale
Jorge Gomez
Wayne Koessler

BOARD NOT PRESENT:

Jefferson Davis, Secretary
Barbara Ermeling

PARTICIPATING ETF STAFF:

Eric Stanchfield, Secretary
Dave Mills, Deputy Secretary
Julie Reneau, Administrator, Division of Retirement Services
Linda Owen, Division of Retirement Services
Pam Henning, Director, Office of Strategic Services
Shelly Schueller, Office of the Secretary
Christina Licari, Board Liaison

OTHERS PRESENT:

Debbie Danoski
Ed Danoski
Bill Ford, Legislative Council
Dave Hinrichs, Department of Employee Trust Funds
Charlotte Gibson, Department of Justice
Jane Hamblen, Department of Justice
Nancy Ketterhagen, Department of Employee Trust Funds
Peg Narloch, Department of Employee Trust Funds
Linda Owen, Department of Employee Trust Funds
Mary Pierick, Department of Employee Trust Funds
Bob Willett, Department of Employee Trust Funds

Marilyn Wigdahl, Chair, called the meeting to order at 1:30 p.m.

CONSIDERATION OF PREVIOUS MEETING MINUTES

Motion: Mr. Bauer moved approval of the minutes of the February 24, 2003, and December 13, 2002, meetings as submitted by staff. Mr. Brown seconded the motion, which passed without objection on a voice vote.

ELECTION OF OFFICERS

Ms. Licari requested the action of the Board regarding the election of officers. A memorandum was provided in the Board mailing, which included a list of current officers as well as a current roster.

Nomination: Mr. Bauer nominated the current slate of officers for another one-year term. Mr. Koessler seconded the nomination.

Motion: Hearing no further nominations, Mr. Koessler moved to close nominations and cast a unanimous ballot for the current slate of officers (Wigdahl – Chair, Brown – Vice Chair, Davis – Secretary) for another one-year term. Mr. Brown seconded the motion, which passed without objection on a voice vote.

ADMINISTRATIVE RULE

Scope Statement: Dividend Distribution. Ms. Owen presented a Scope Statement that would allow the Department of Employee Trust Funds (ETF) to proceed with a possible revision to the administrative rule that governs when annuitant dividends are distributed. In 2002 the administrative rule was revised to require annuitant dividends to be distributed in the April 1 payment rather than in the May 1 payment. Due to the harm that would result from the earlier distribution date this year because of the negative variable adjustment and 0% fixed dividend, on February 24 the Boards approved an emergency rule that moved the distribution back to the May 1 payments for this year only.

Board members raised issues about which approach to the date would constitute the best public policy. The Department stressed that approving this scope statement does not commit the Department or the Boards to any specific course of action with respect to revising the rule. Instead, it would keep options open for revising the rule before next year's dividend is distributed and permit the Department to study the merits of alternative approaches. Possible alternatives include changing the permanent rule back to the May 1 distribution date, establishing a conditional effective date for changing to an April 1 distribution date, etc.

Motion: Mr. Gale moved approval of the scope statement regarding amending the rule governing annuitant dividends. Mr. Koessler seconded the motion, which passed without objection on a voice vote.

MISCELLANEOUS

Pending Appeals Status Report. (Included for the Board's information.) Ms. Reneau presented an update on pending appeals, noting that the WR Board currently has 41 pending appeals.

DISABILITY STATISTICS SUMMARY REPORT

(Included for the Board's information.) Ms. Schueller reviewed the *WRS Disability Benefit Annuity Statistical Report* that was included in the Board packet. Ms. Schueller noted that this report also contains the November data that was not yet available at the December 2002 meeting. Members were also provided with a corrected *WRS Disability Benefit Annuity Statistical Report* for the period of September 2002 to October 2002. In addition to Ms. Schueller, Peg Narloch, Disability Program Policy Advisor, was available to answer questions.

DISABILITY STATISTICS ANNUAL SUMMARY REPORT

(Included for the Board's information.) Ms. Schueller reviewed the *Year 2002 Benefit Annuity Statistics* report that was included in the Board packet. Ms. Schueller explained several details of the data, charts and graphs contained in the report and noted that this report will continue to be updated with 2003 comparison data as it becomes available. In addition to Ms. Schueller, Ms. Narloch was also available to answer questions.

MOTION TO CONVENE IN CLOSED SESSION

Ms. Wigdahl announced that the Wisconsin Retirement Board would convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85(a) and (f) for quasi-judicial deliberations and to consider disability annuity applications containing personal medical information. Ms. Licari was invited to remain during quasi-judicial deliberations.

Motion: Mr. Brown moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85(a) and (f) for quasi-judicial deliberations and to consider disability annuity applications containing personal medical information. Mr. Koessl seconded the motion, which passed on a roll call vote.

Members voting aye: T. Bauer, J. Brown, R. Gale, J. Gomez, W. Koessl, M. Wigdahl

Members voting nay: none

The Wisconsin Retirement Board convened in closed session at 2:05 p.m. and reconvened in open session at 3:20 p.m.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION

Ms. Wigdahl announced that the Board took the following action during the closed session:

- **Appeal 2001-025-WR.** The Board adopted the hearing examiner's proposed decision regarding the appellant's lump sum payment and amended the hearing examiner's proposed decision to find that standby is not overtime.
- **Appeal 2001-051-WR.** The Board adopted the hearing examiner's proposed decision with changes as recommended by counsel, which will be incorporated into the Board's final decision.
- **Appeal 2000-042-WR.** The Board rejected the hearing examiner's proposed decision and issued an alternate ruling ordering ETF to re-process the application with a revised employer certification.
- **Appeal 2001-046-WR.** The Board reconsidered its prior decision on its own motion and adopted the hearing examiner's proposed decision on alternative grounds, which will be incorporated into the Board's final decision.
- **Appeal 2000-032-WR.** The Board adopted the hearing examiner's findings of fact and conclusions of law.
- **Appeal 99-078-WR.** The Board adopted the hearing examiner's proposed decision, with amendments recommended by counsel, which will be incorporated into the Board's final decision.

ADJOURNMENT

Motion: Mr. Brown moved adjournment. Mr. Bauer seconded the motion, which passed without objection on a voice vote.

The meeting of the Wisconsin Retirement Board adjourned at 3:25 p.m.

Date Approved: _____

Signed: _____

Jefferson Davis, Secretary
Wisconsin Retirement Board